Regional Unemployment Rates Reflect Seasonal Trends

At a glance…

The seasonally adjusted unemployment rate in the Eau Claire-Chippewa metro area rose in August to 5.0 percent from 4.2 percent in July. The August rate is the highest recorded in the metro area since November 1994. The estimates, released today by the Department of Workforce Development, reflect an increase in the number of unemployed in the area that coincides with an additional reduction in the number of workers with area manufacturers. The Eau Claire metro rate was one of three of the eleven metro areas in the state that reported an increase in unemployment. The other areas where unemployment increased were Kenosha and Racine. Janesville, however, reported a higher unemployment rate. The State of Wisconsin seasonally adjusted unemployment rate declined in August to 4.3 percent.

The unadjusted unemployment rate typically declines in August and depending on the depth of the reduction, so does the seasonally adjusted rate. In fact, the unadjusted rates in all of the other seven counties in the West Central region did drop in August, as did the regional unemployment rate. However, the unadjusted rate in Eau Claire and Chippewa counties rose in August as the number of unemployed increased by 400 and the number of employed declined. An increase in the number of unemployed is such a contradiction of trends that seasonally adjusted unemployment nearly doubled.

The unemployment rate for the combined West Central region was 3.8 percent in August, down from 4.0 percent in July but higher than 2.9 percent one year ago. Half the counties in the state had unemployment rates below 3.8 percent including five from the West Central region. They included Pepin with 3.4 percent unemployed, Barron and St. Croix with a 3.3 percent unemployment rate, Dunn with 3.1 percent unemployed, and Pierce with a 2.8 percent unemployment rate. Two counties, besides the MSA counties, had unemployment rates over 3.8 percent.
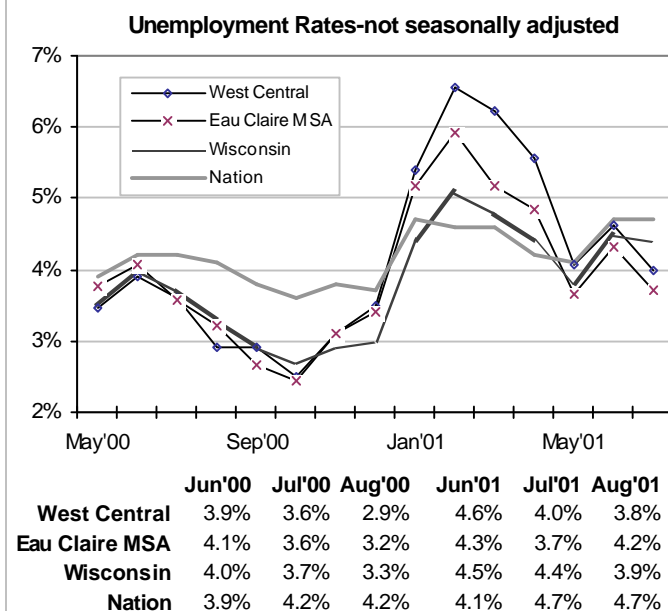
A closer look…

The August labor force estimates typically include a reduction in the number of unemployed and employed. This happens as students, especially college students, leave their summer jobs and prepare to return to classes. They not only vacate the job, reducing the number of unemployed; they leave the labor force. Some of those jobs are filled by jobseekers, thus the reduction in the number of unemployed. In addition to the reduction in student workers, counties with universities also show a loss of jobs with the end of summer classes. And, counties with seasonal food workers reflect an increase in production jobs.

That's what typically occurs in August and for most of the counties, it is what occurred in August. In Eau Claire and Chippewa counties, however, the loss of nearly 400 government jobs was exasperated by reductions in retail trade and manufacturing. Even though the net loss of production jobs was not significant, it increased the total loss since last August to nearly 600 and to nearly 2,000 fewer jobs since August 1999.

The recent loss of jobs pushed the number of unemployment claims in the metro area to over 2,000 during the survey week in August. That is over 800 more than last year in August and partially explains the spike in metro unemployment rate. In the non-metro counties of the West Central region unemployment claims are also higher than a year ago. There over 1,900 claims were filed for unemployment benefits in mid-August compared with 1,200 one year earlier. Although much higher than a year ago, the number of claims is beginning to decline both in metro and non-metro counties. Data through mid-September reveals a drop of over 400 claimants in Eau Claire-Chippewa and over 200 in the remaining counties.

Workers laid off from manufacturing employers filed most of those claims. In spite of those reductions, the total number of jobs in both the metro area and the region is higher than one year ago. There are 1,000 more jobs in the Eau Claire metro area this August compared with a year earlier. Employers from nearly every non-manufacturing industry division

Unemployment Rates-not seasonally adjusted

	Jun'00	Jul'00	Aug'00	Jun'01	Jul'01	Aug'01
West Central	3.9%	3.6%	2.9%	4.6%	4.0%	3.8%
Eau Claire MSA	4.1%	3.6%	3.2%	4.3%	3.7%	4.2%
Wisconsin	4.0%	3.7%	3.3%	4.5%	4.4%	3.9%
Nation	3.9%	4.2%	4.2%	4.1%	4.7%	4.7%

have added workers since last August and many employers were hiring workers this August. Transportation jobs increased as workers prepared to bus students back to school. Employers from the services industry and finance and insurance also added workers in August. Services industry jobs are down from last year, however, because temp agencies supply production workers to manufacturing employers and are the first to be laid off.

Although the bulk of manufacturing reductions have been in the metro area, employers in Barron and Dunn counties have also laid off workers. For some of these workers, as in the case with laid off workers from computer components producers, the lay offs are long term and, in some cases, permanent.

Employers from other industry divisions continue to add workers, however. In Barron and St. Croix counties, manufacturing jobs increased in August as the local food processing plants hired seasonal workers. These increases produced a net job gain in production jobs in the region in August. There were fewer jobs in government in August primarily as state universities reduced staff.

August Estimates	Wisconsin	EC MSA	Barron	Clark	Dunn	Pepin	Pierce	Polk	St.Croix
Civilian Labor Force*	3,079,100	85,800	24,900	16,900	22,000	3,400	21,400	24,200	35,000
Employed	2,957,900	82,200	24,100	16,100	21,300	3,200	20,800	23,200	33,800
Unemployed	121,300	3,600	800	800	700	100	600	1,000	1,100
Unemployment rate(%)	3.9%	4.2%	3.8%	4.9%	3.1%	3.4%	2.8%	4.1%	3.3%
Total jobs, all industries**	2,850,800	77,200	22,000	10,000	15,000	2,200	10,300	15,500	28,600
Construction & Mining	140,280	4,410	1,010	620	910	190	570	1,120	1,790
Manufacturing	595,950	11,950	7,140	3,390	2,040	180	1,420	4,660	7,420
Transportation & Public Util.	134,440	3,730	620	380	480	110	510	520	1,080
Wholesale Trade	139,840	3,330	580	590	660	290	310	360	600
Retail Trade	506,840	18,820	4,360	1,370	4,390	500	2,210	2,910	6,120
Finance,Ins,Real Estate	153,750	3,060	400	230	450	70	330	480	840
Services	799,610	21,450	3,970	1,600	2,770	420	2,220	3,100	6,890
Government	380,050	10,440	3,940	1,870	3,300	480	2,770	2,390	3,820
Change from previous month									
Civilian Labor Force*	-48,400	-600	-300	-400	-500	0	-500	-400	-600
Employed	-31,600	-1,000	-100	-100	-400	0	-300	-200	-400
Unemployed	-16,700	400	-200	-200	0	0	-200	-300	-200
Unemployment rate(%)	-0.5%	0.5%	-0.6%	-1.3%	0.0%	-0.4%	-0.9%	-1.0%	-0.5%
Total jobs, all industries**	-3,200	-200	100	0	-200	0	-100	0	500
Construction & Mining	-600	0	0	0	0	0	0	0	0
Manufacturing	-1,760	-30	20	-10	-20	0	0	-20	180
Transportation & Public Util.	630	50	10	10	-10	0	0	0	-10
Wholesale Trade	460	0	-10	-20	-10	0	-60	-10	0
Retail Trade	2,630	-20	-20	10	100	-10	30	-20	-10
Finance,Ins,Real Estate	-390	60	0	0	0	0	-10	0	10
Services	430	70	20	0	20	-10	-10	30	-40
Government	-4,520	-380	120	-20	-310	10	-90	30	400
Change from one year ago									
Civilian Labor Force*	97,600	3,900	1,000	1,100	1,200	200	500	1,700	1,000
Employed	76,100	2,900	900	900	1,000	200	400	1,300	600
Unemployed	21,600	1,000	100	200	100	0	100	400	400
Unemployment rate(%)	0.6%	1.0%	0.1%	0.7%	0.5%	0.4%	0.4%	1.3%	1.2%
Total jobs, all industries**	-6,500	1,000	0	0	200	0	100	500	1,300
Construction & Mining	-900	600	100	0	0	0	0	100	200
Manufacturing	-29,300	-580	-180	80	-130	10	50	100	-10
Transportation & Public Util.	1,590	120	20	20	30	0	-30	0	-20
Wholesale Trade	-1,520	150	0	-30	-10	0	10	0	10
Retail Trade	2,140	420	-40	-10	80	10	60	70	340
Finance,Insurance,Real Estate	3,620	330	-30	-10	30	0	10	10	50
Services	15,340	-120	200	-10	40	0	20	140	260
Government	2,510	50	-30	-110	140	-10	-70	50	570

* Includes participants residing in area.   ** Includes employment with employers located in area.   Estimates are NOT seasonally adjusted.
Current month estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.